

Grains and Oilseeds Outlook for 2005

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**Farm Service Agency
U.S. Department of Agriculture**

2005 Agricultural Outlook Forum
Arlington, Virginia
February 25, 2005

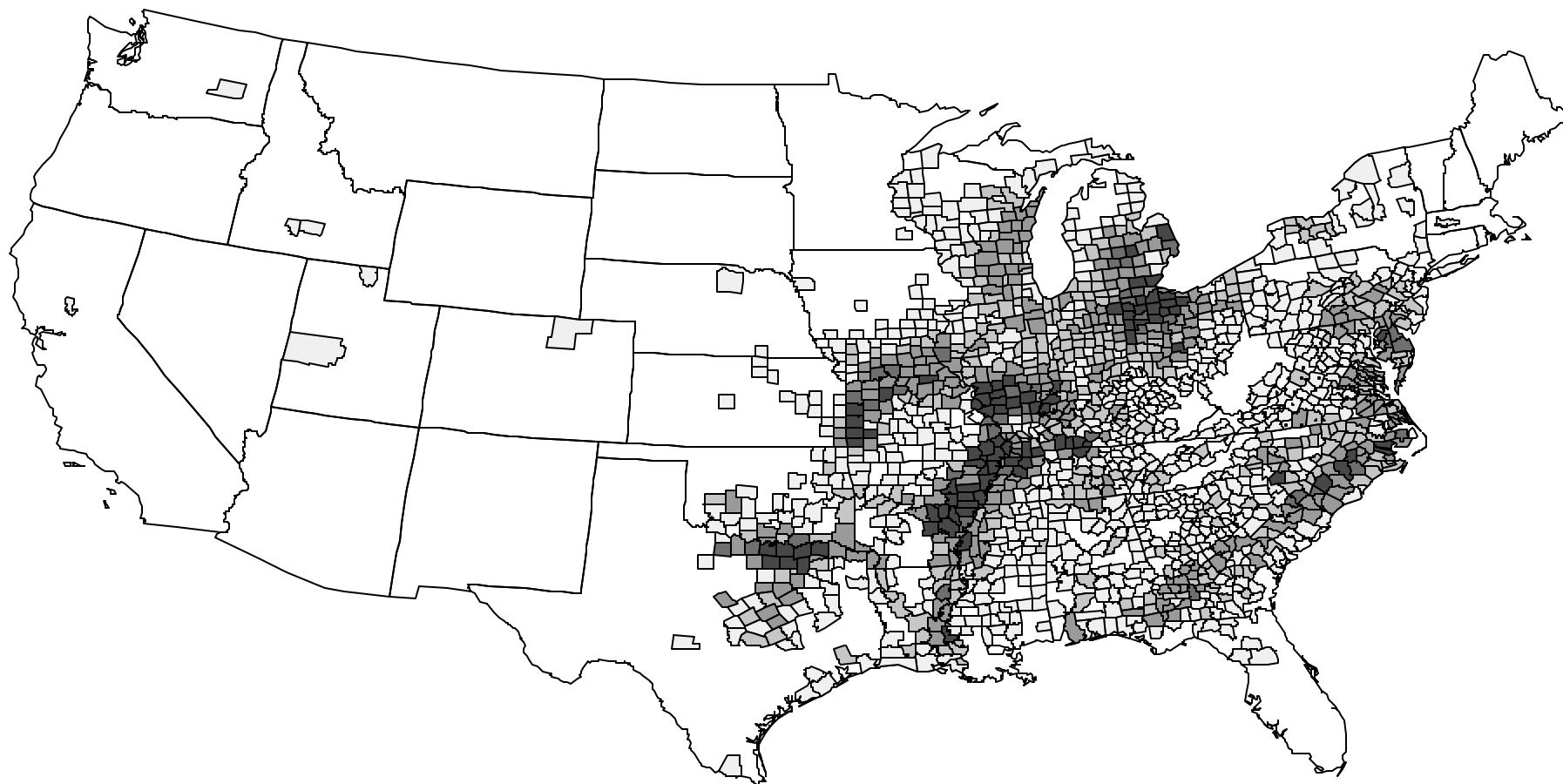
Grains & Oilseeds Outlook for 2005

- **Acreage Outlook**
- **Wheat Outlook**
- **Corn Outlook**
- **Soybean Outlook**

2005 Acreage Outlook

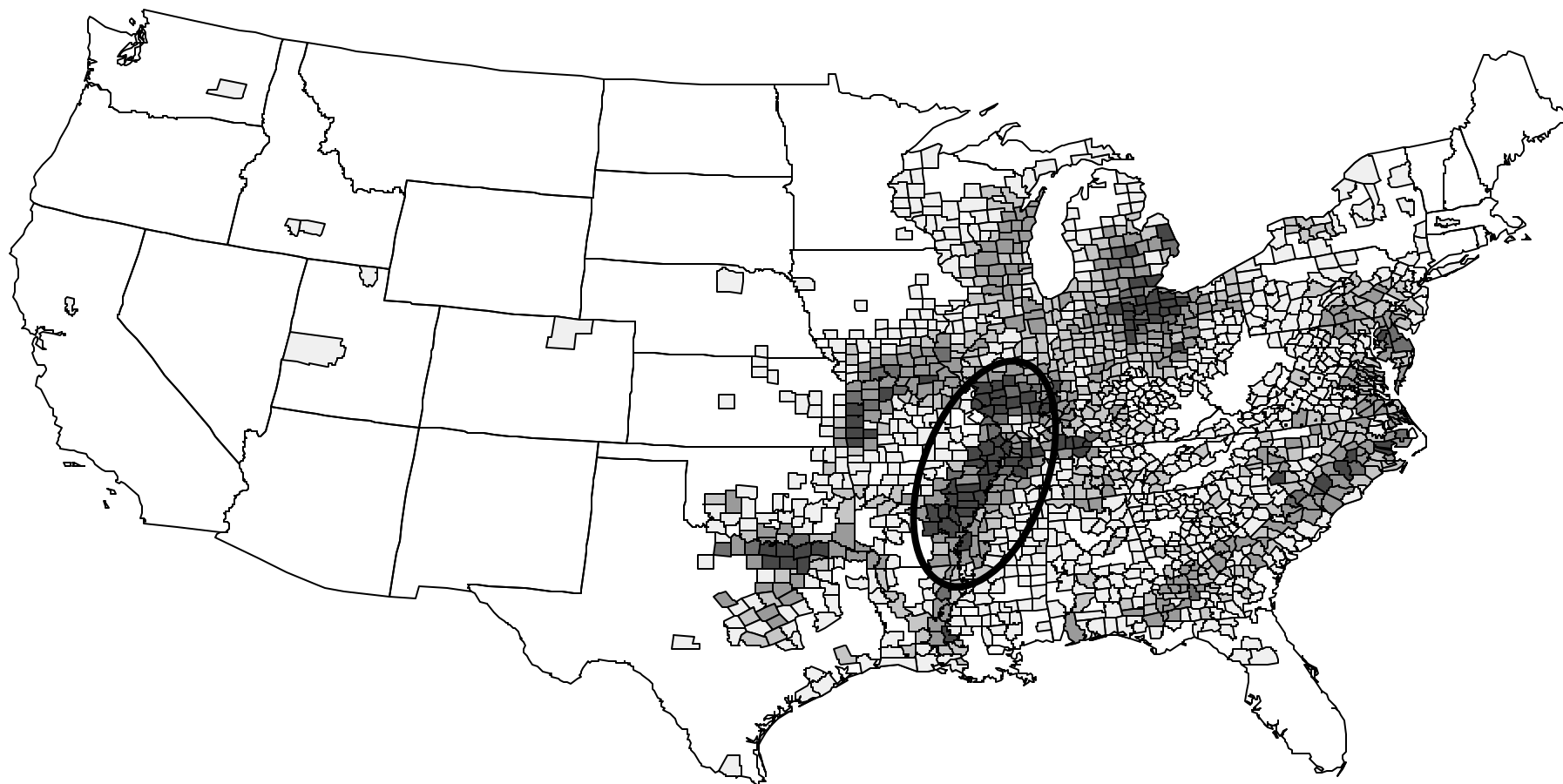
- **Winter wheat seedings are sharply lower**
- **Spring wheat area remains flat**
- **Corn acres expand on relative returns**
- **Soybean acres decline on lower prices and disease concerns**

2004 Soft Red Winter Wheat



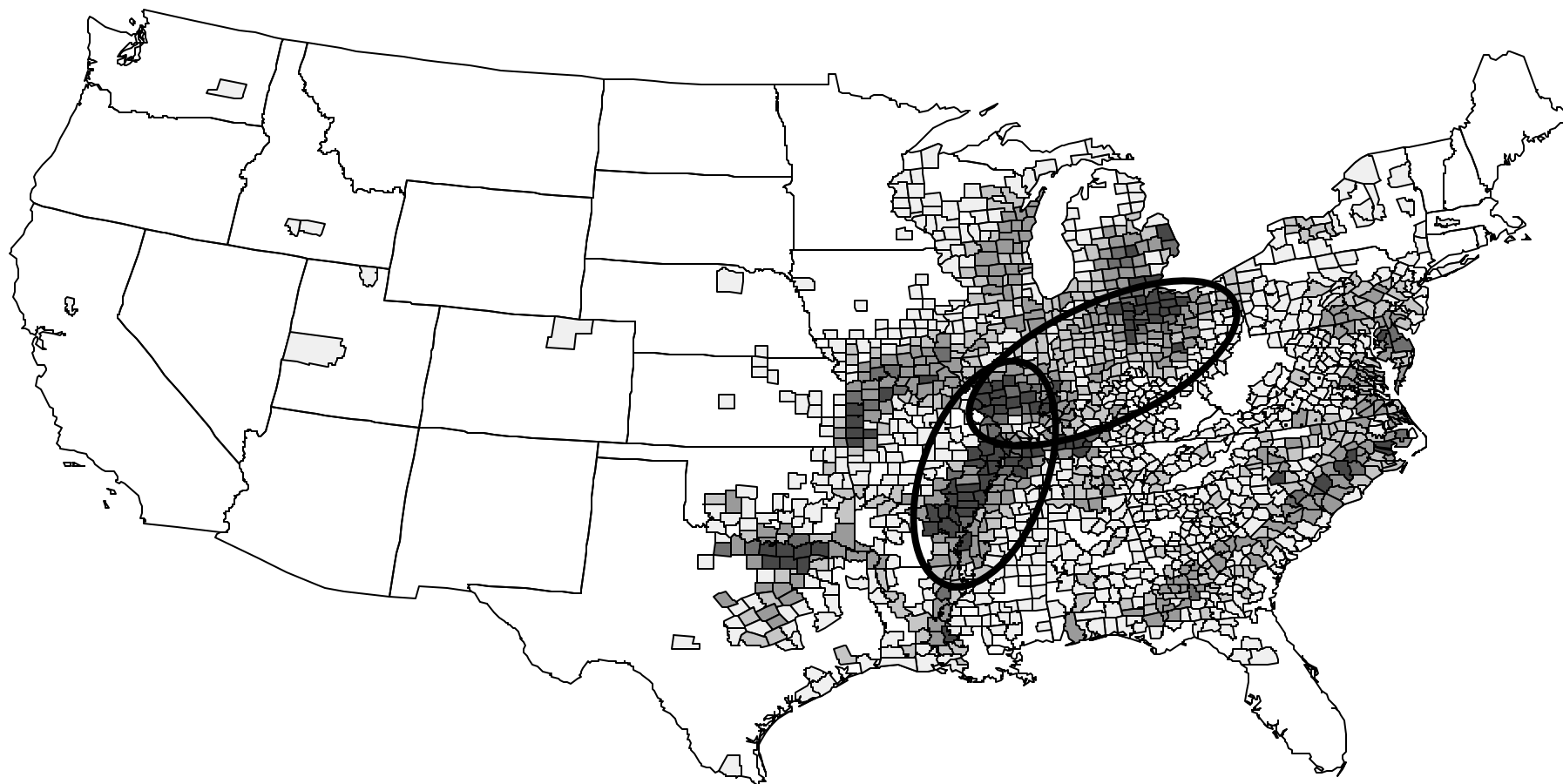
Source: USDA-FSA Reported and Determined Acreage

2004 Soft Red Winter Wheat



Source: USDA-FSA Reported and Determined Acreage

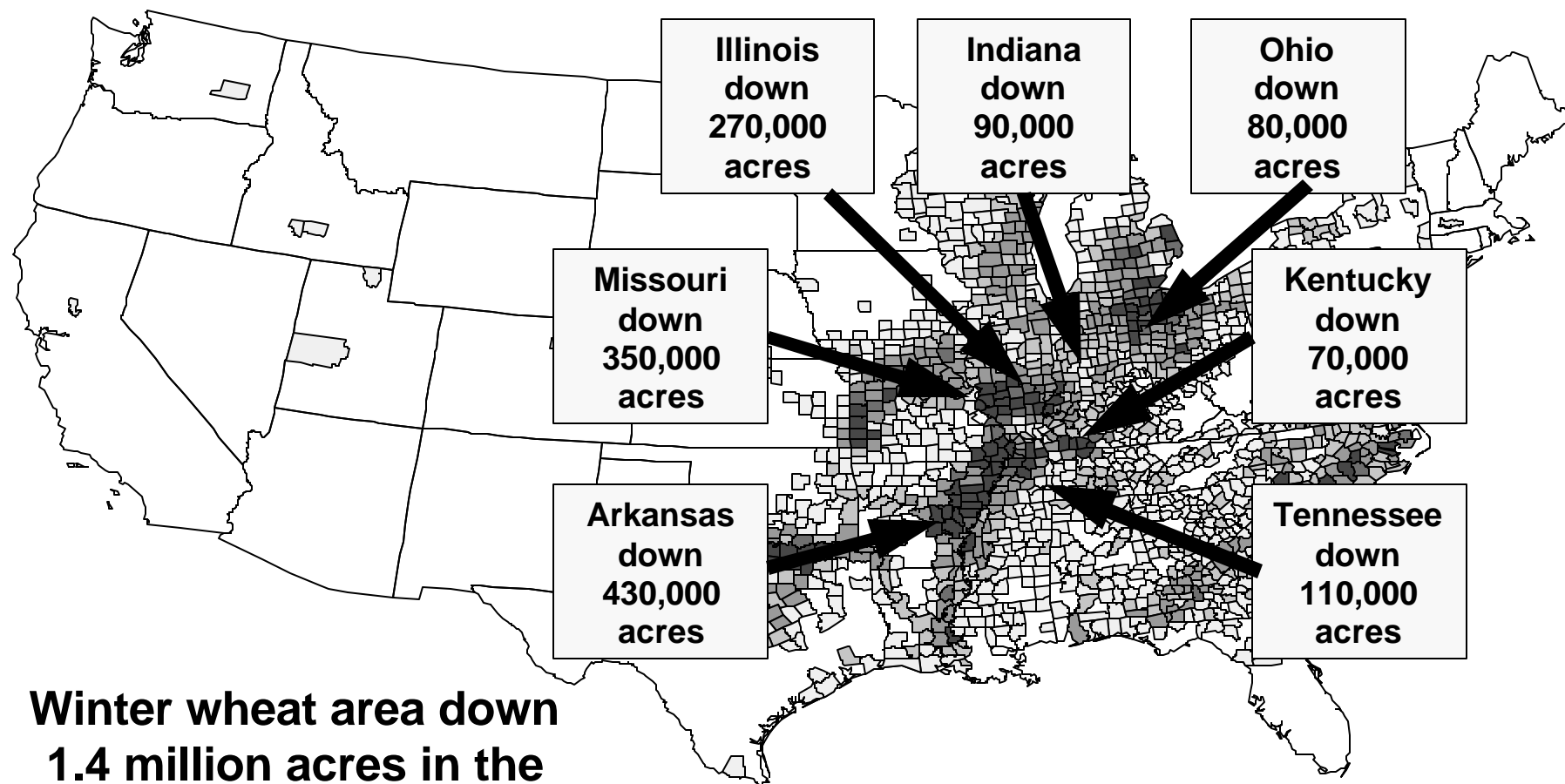
2004 Soft Red Winter Wheat



Source: USDA-FSA Reported and Determined Acreage

2004 Soft Red Winter Wheat

2005 winter wheat area down sharply

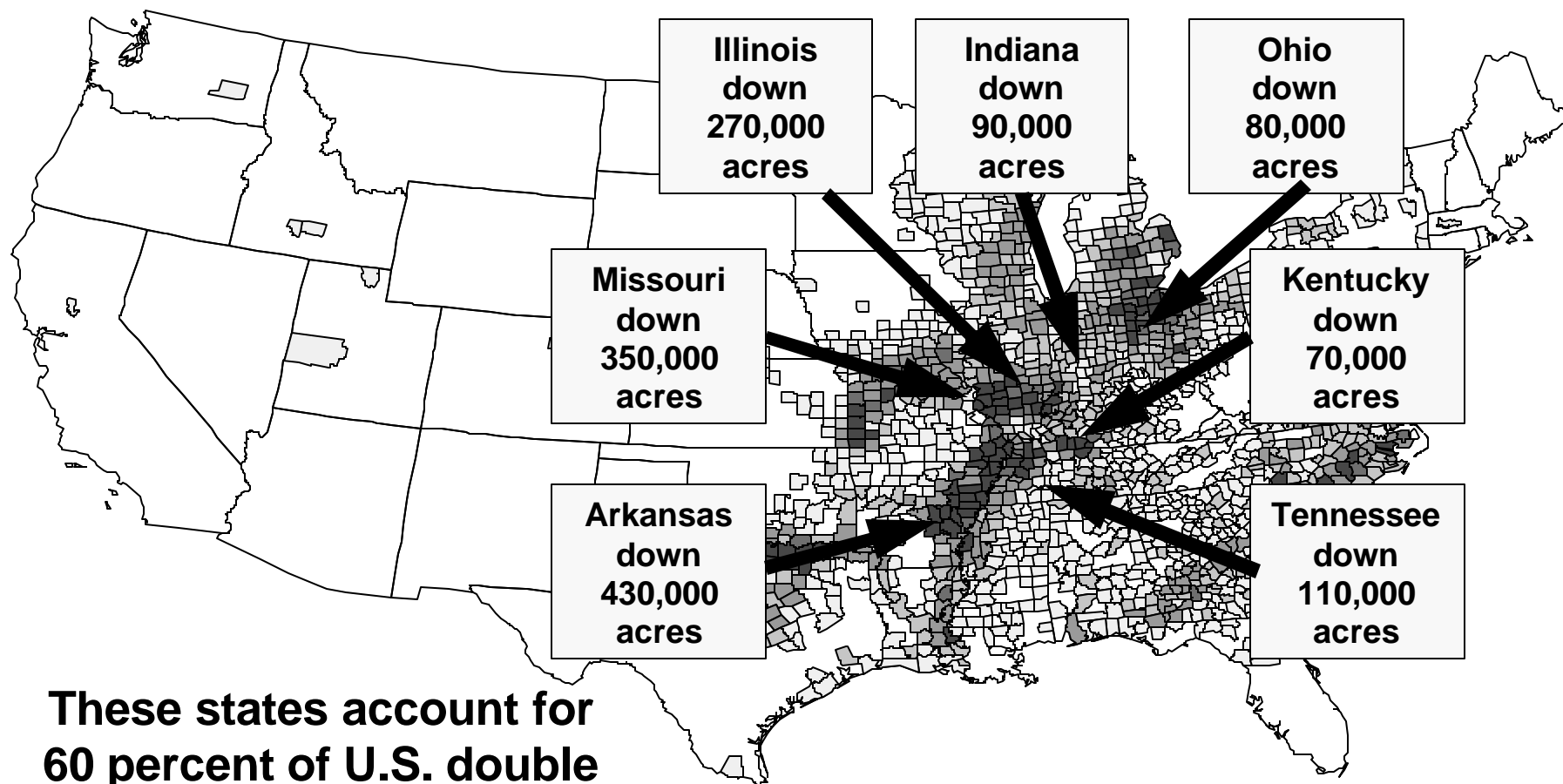


**Winter wheat area down
1.4 million acres in the
shown states**

Source: USDA-FSA Reported and Determined Acreage

2004 Soft Red Winter Wheat

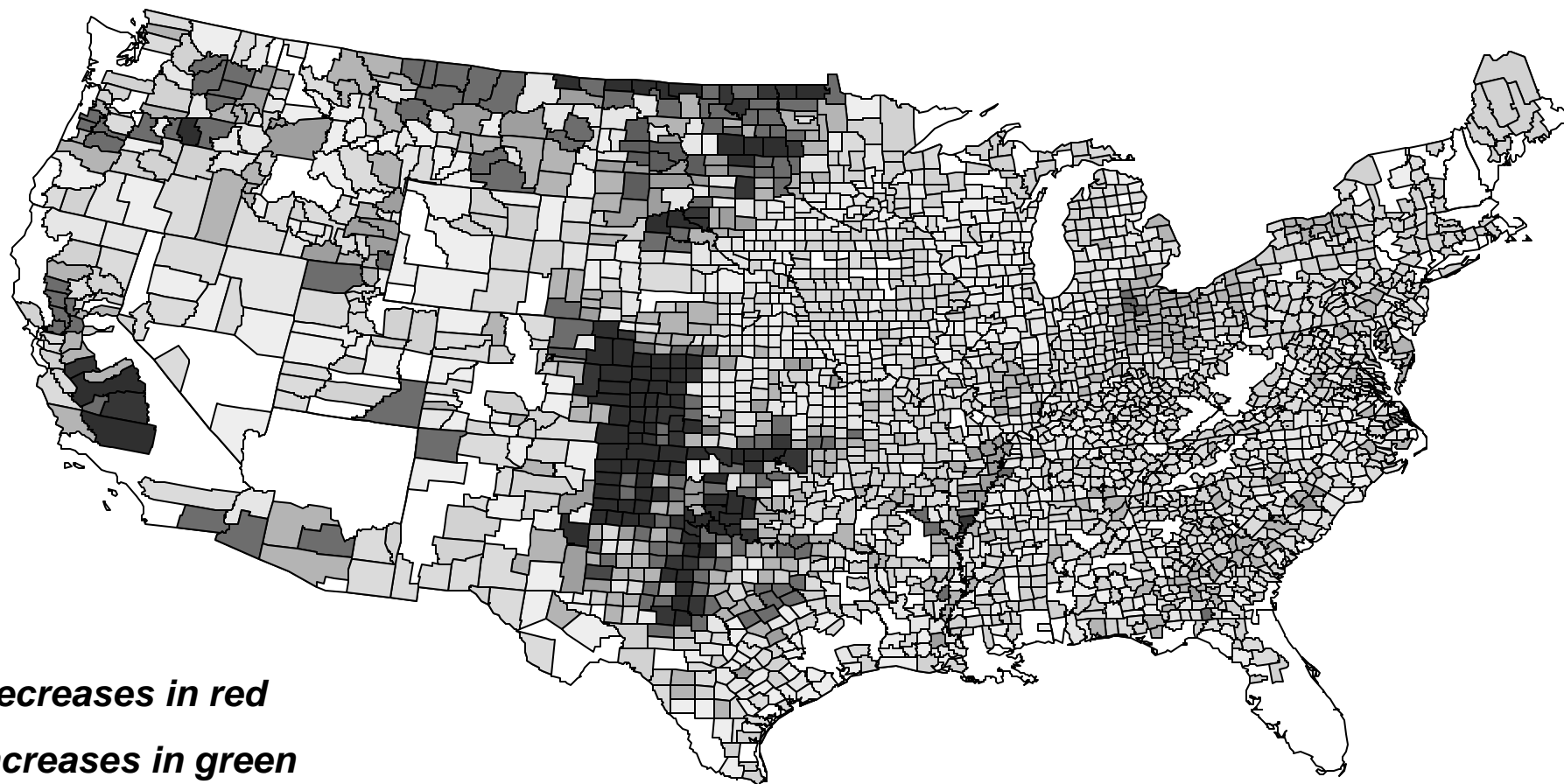
2005 winter wheat area down sharply



**These states account for
60 percent of U.S. double
crop soybeans acres**

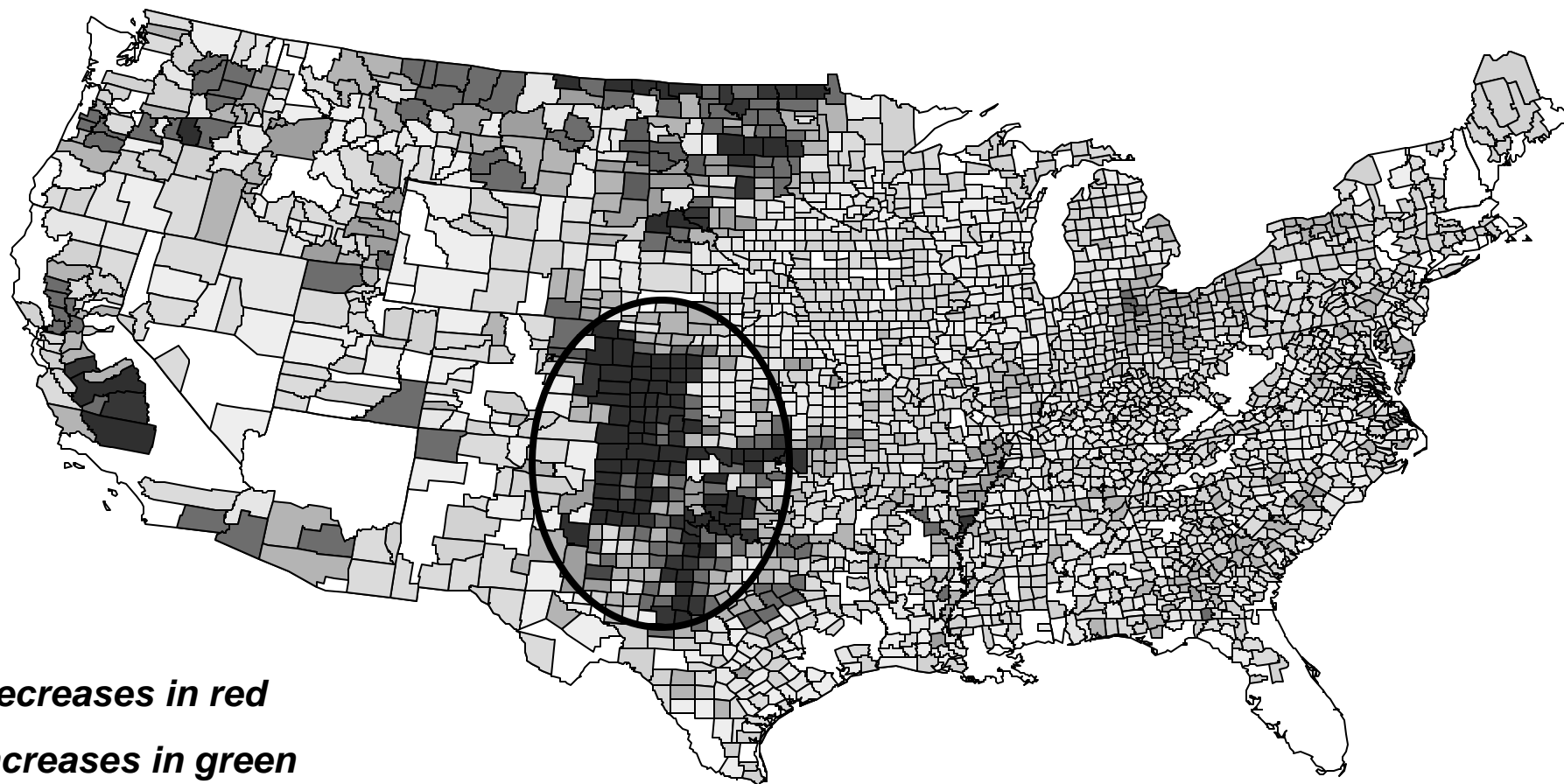
Source: USDA-FSA Reported and Determined Acreage

2004 Wheat Acreage Changes



Source: USDA-FSA Reported and Determined Acreage

2004 Wheat Acreage Changes



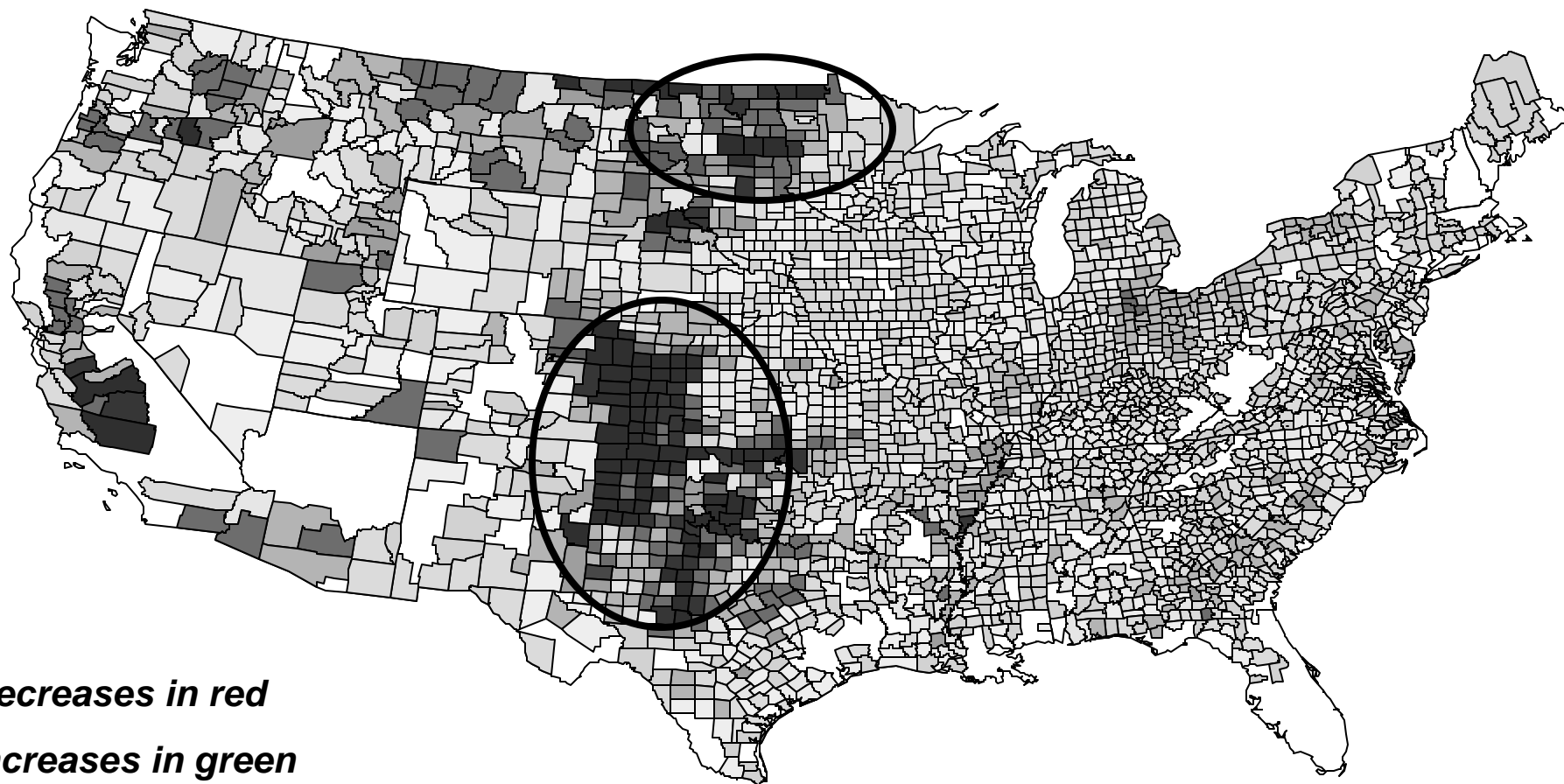
Decreases in red

Increases in green

Magnitude shown by intensity

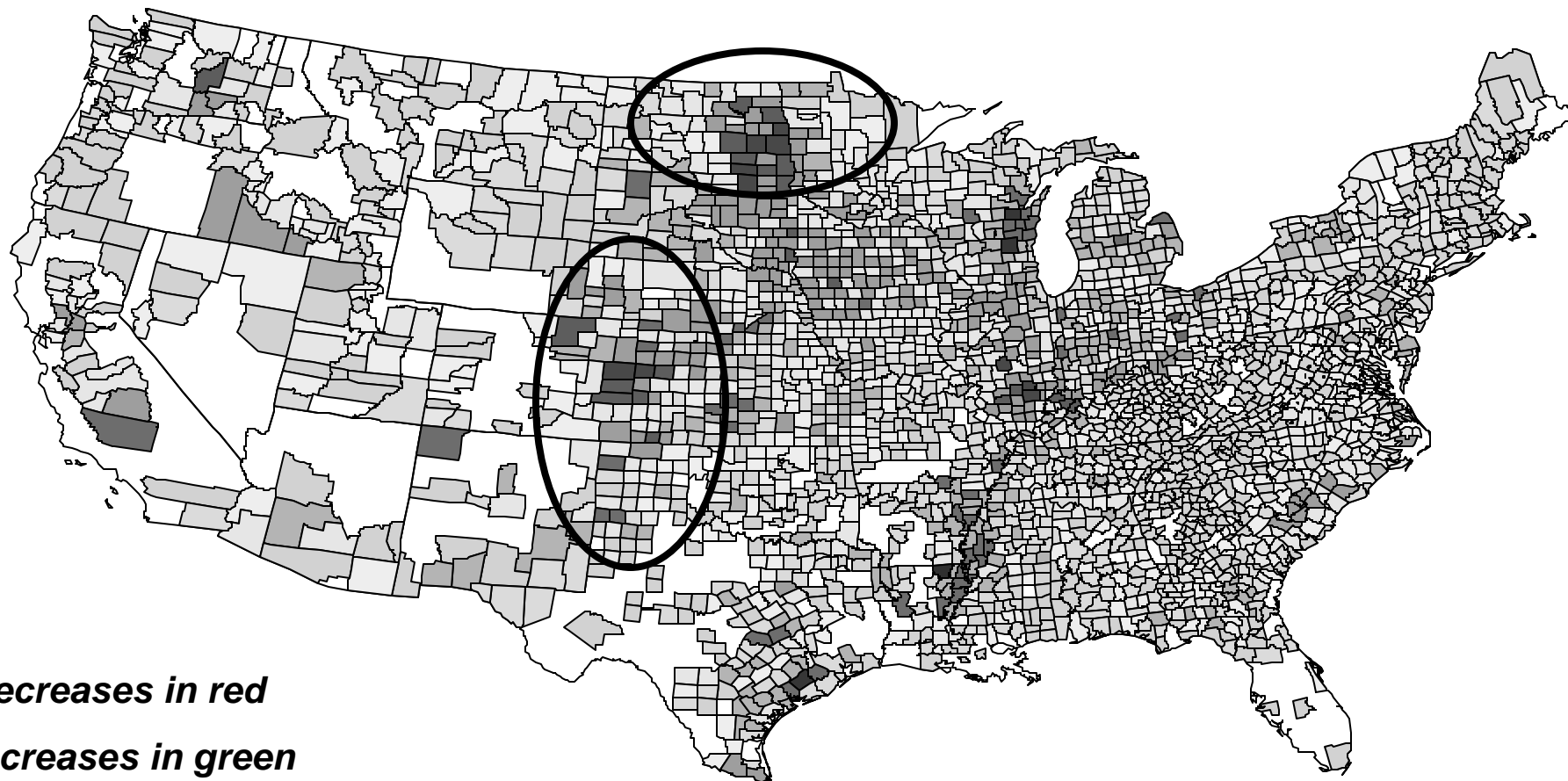
Source: USDA-FSA Reported and Determined Acreage

2004 Wheat Acreage Changes



Source: USDA-FSA Reported and Determined Acreage

2004 Corn Acreage Changes



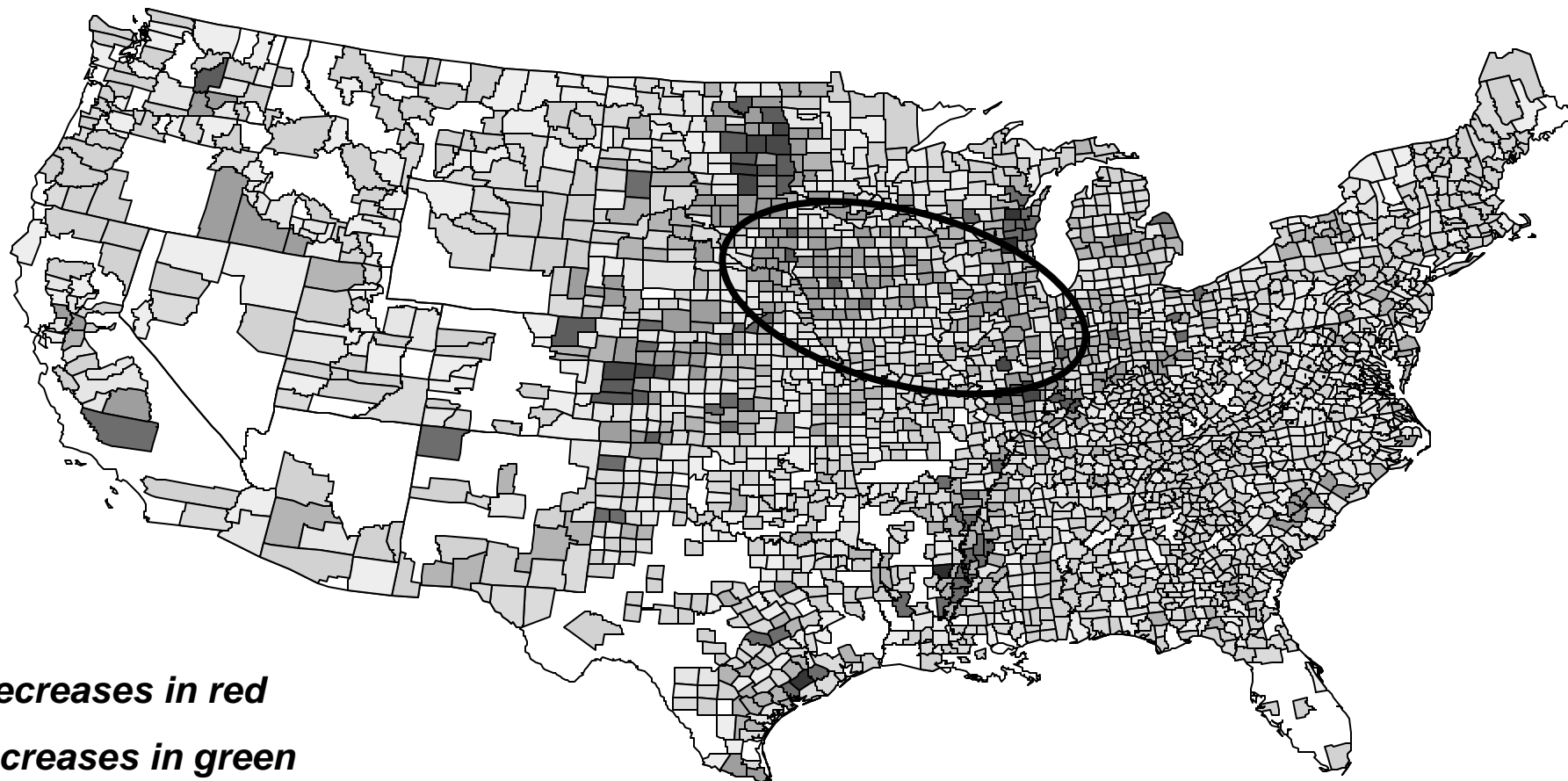
Decreases in red

Increases in green

Magnitude shown by intensity

Source: USDA-FSA Reported and Determined Acreage

2004 Corn Acreage Changes



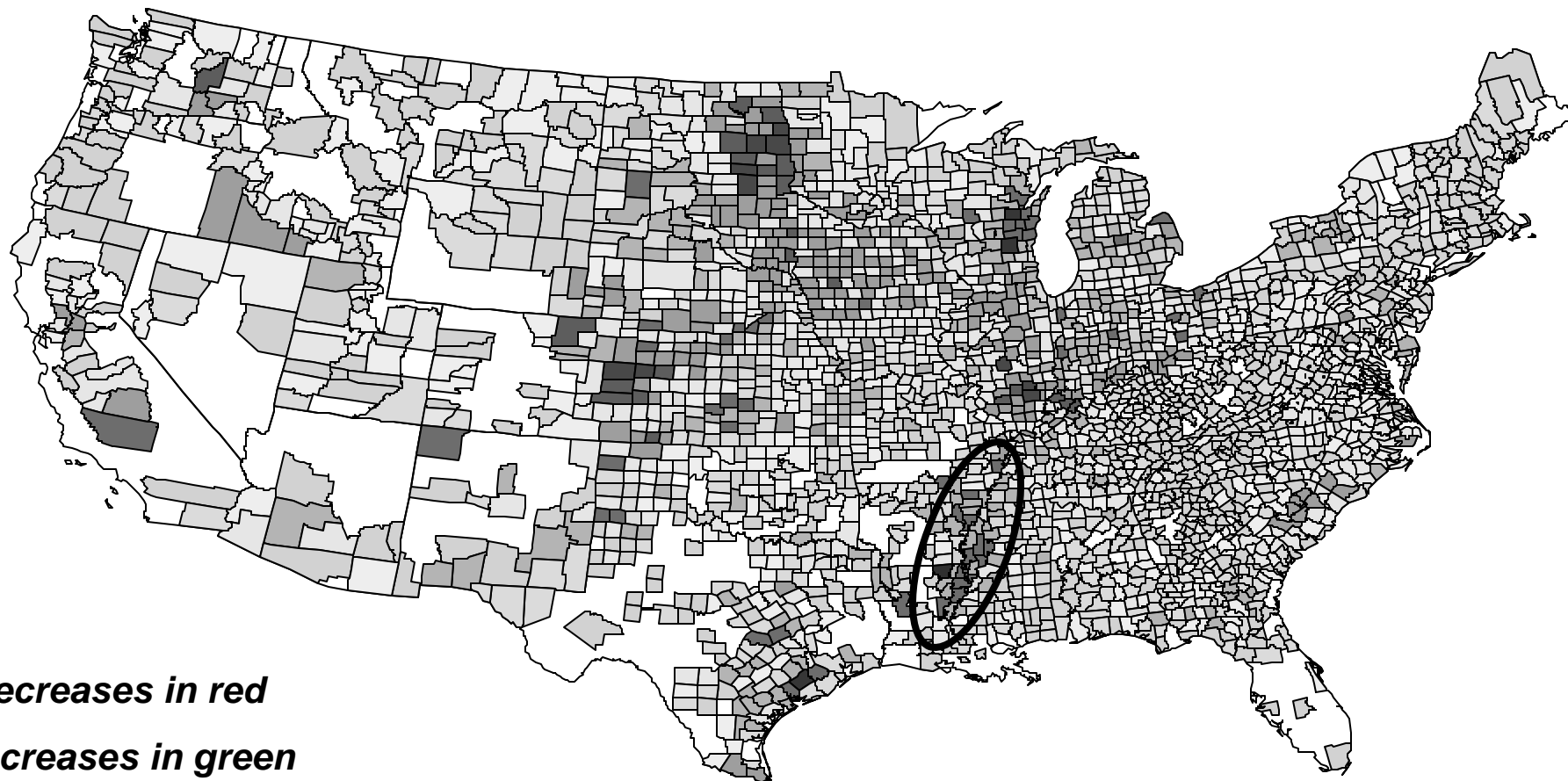
Decreases in red

Increases in green

Magnitude shown by intensity

Source: USDA-FSA Reported and Determined Acreage

2004 Corn Acreage Changes



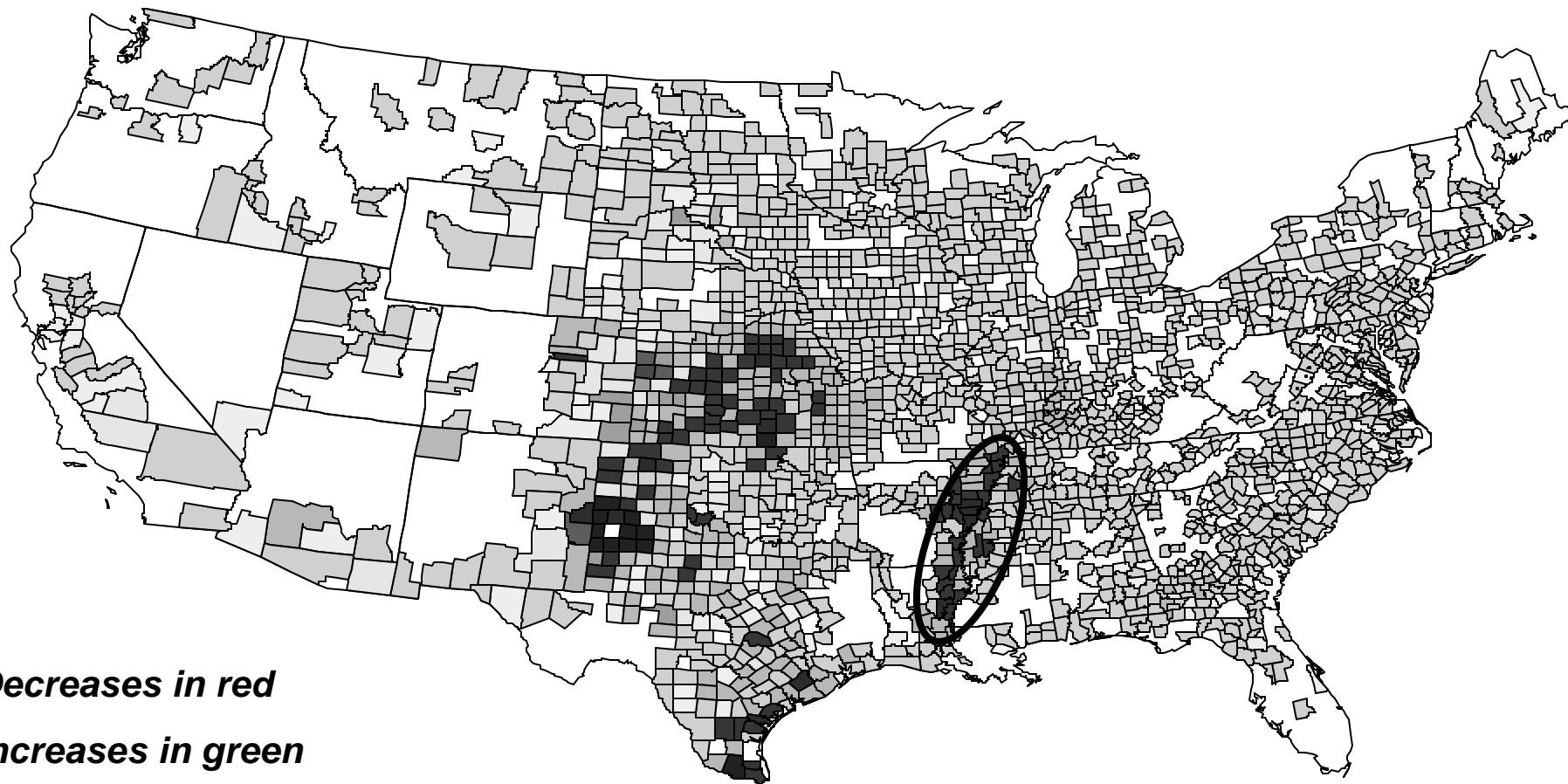
Decreases in red

Increases in green

Magnitude shown by intensity

Source: USDA-FSA Reported and Determined Acreage

2004 Sorghum Acreage Changes



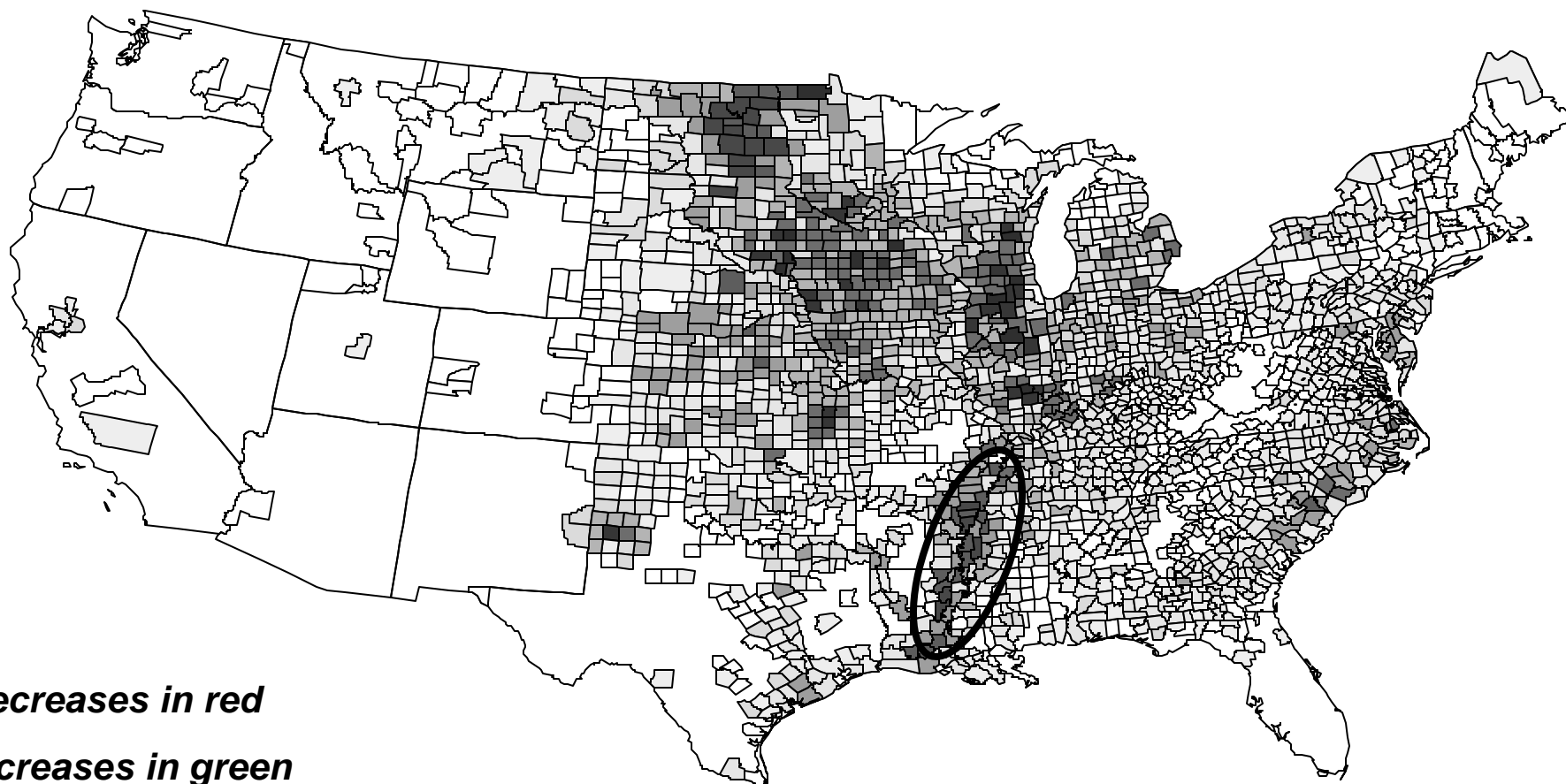
Decreases in red

Increases in green

Magnitude shown by intensity

Source: USDA-FSA Reported and Determined Acreage

2004 Soybean Acreage Changes



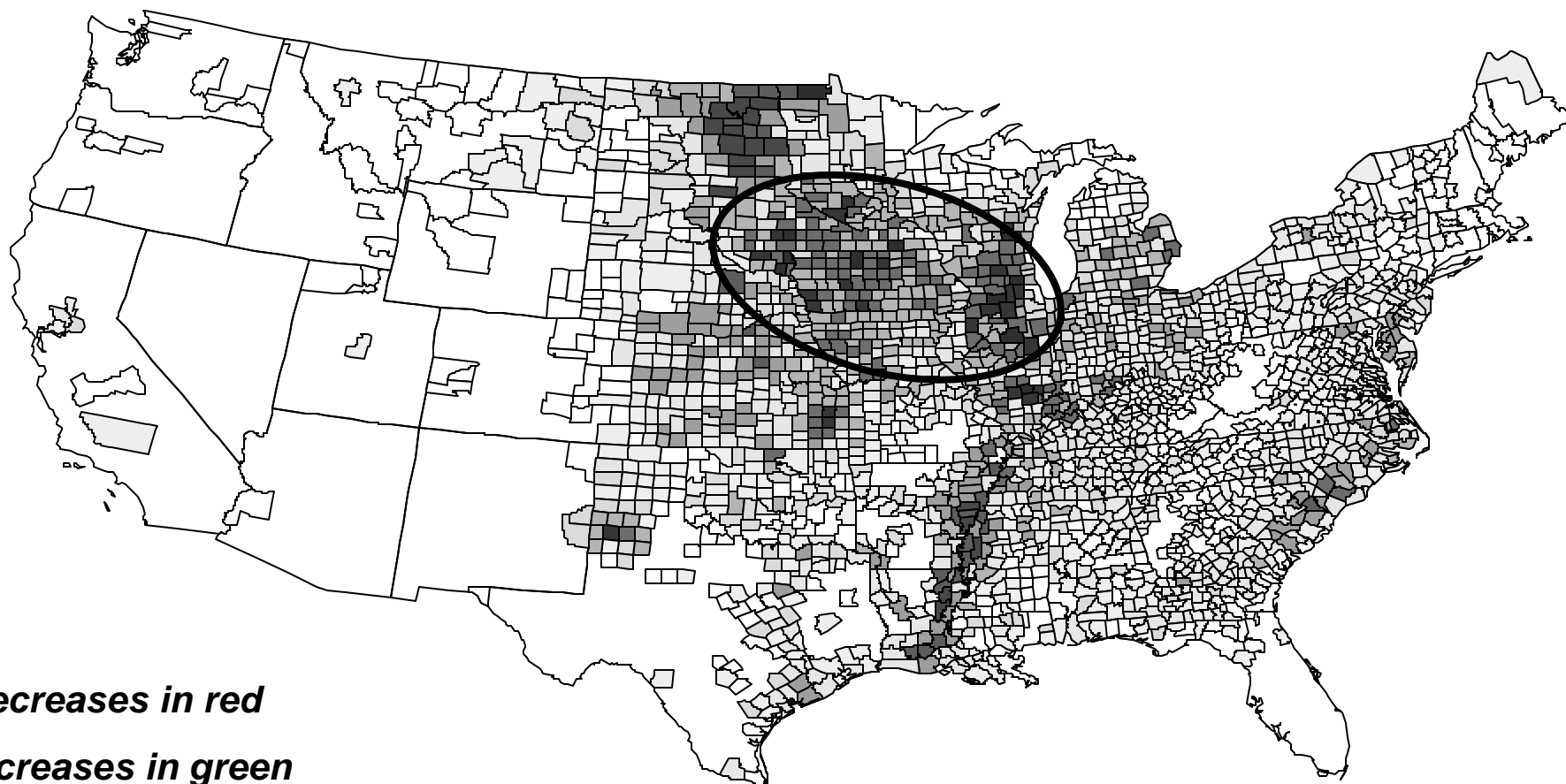
Decreases in red

Increases in green

Magnitude shown by intensity

Source: USDA-FSA Reported and Determined Acreage

2004 Soybean Acreage Changes



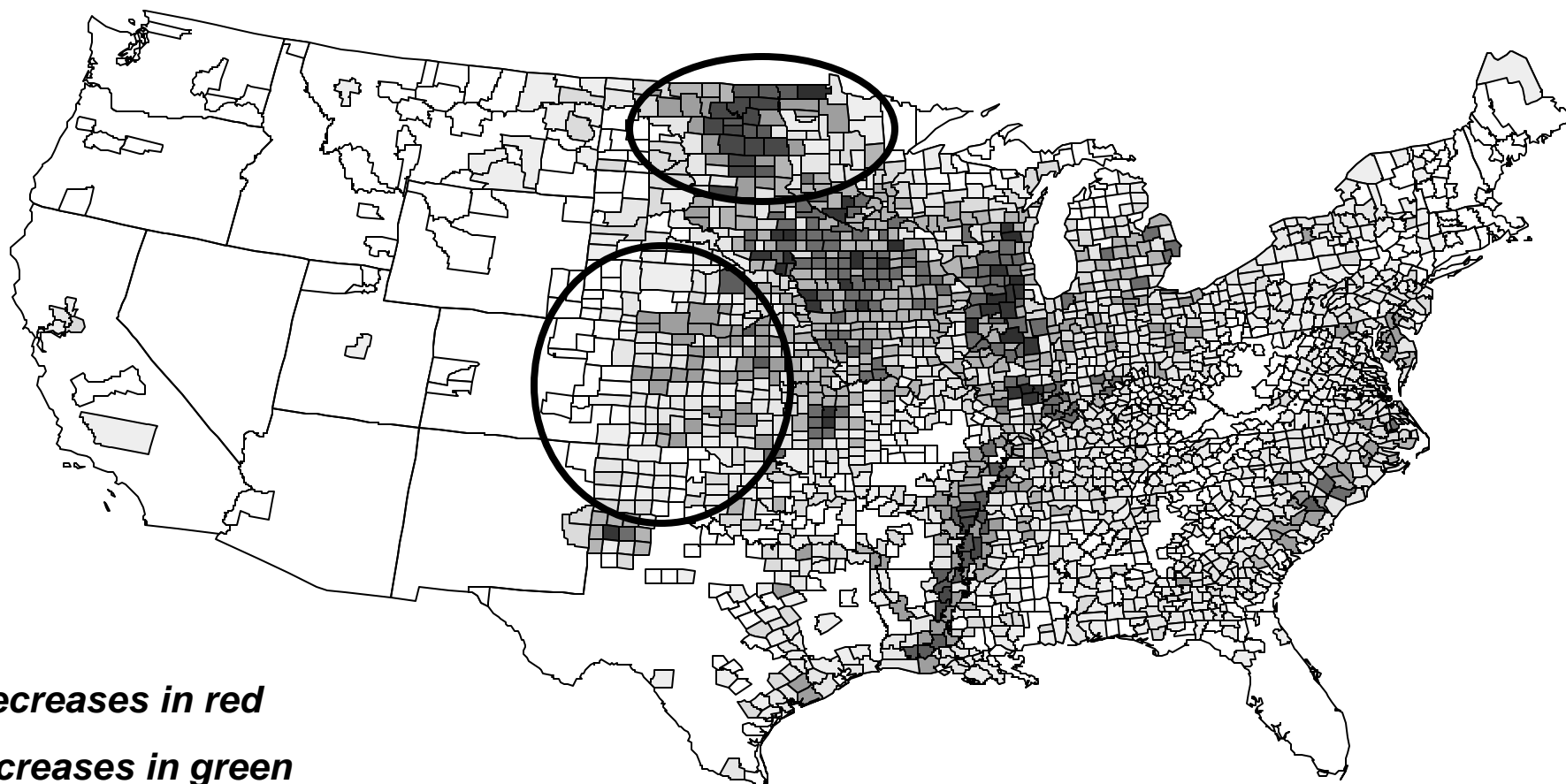
Decreases in red

Increases in green

Magnitude shown by intensity

Source: USDA-FSA Reported and Determined Acreage

2004 Soybean Acreage Changes



Decreases in red

Increases in green

Magnitude shown by intensity

Source: USDA-FSA Reported and Determined Acreage

Grains & Oilseeds Outlook for 2005

- **Acreage Outlook**
- **Wheat Outlook**

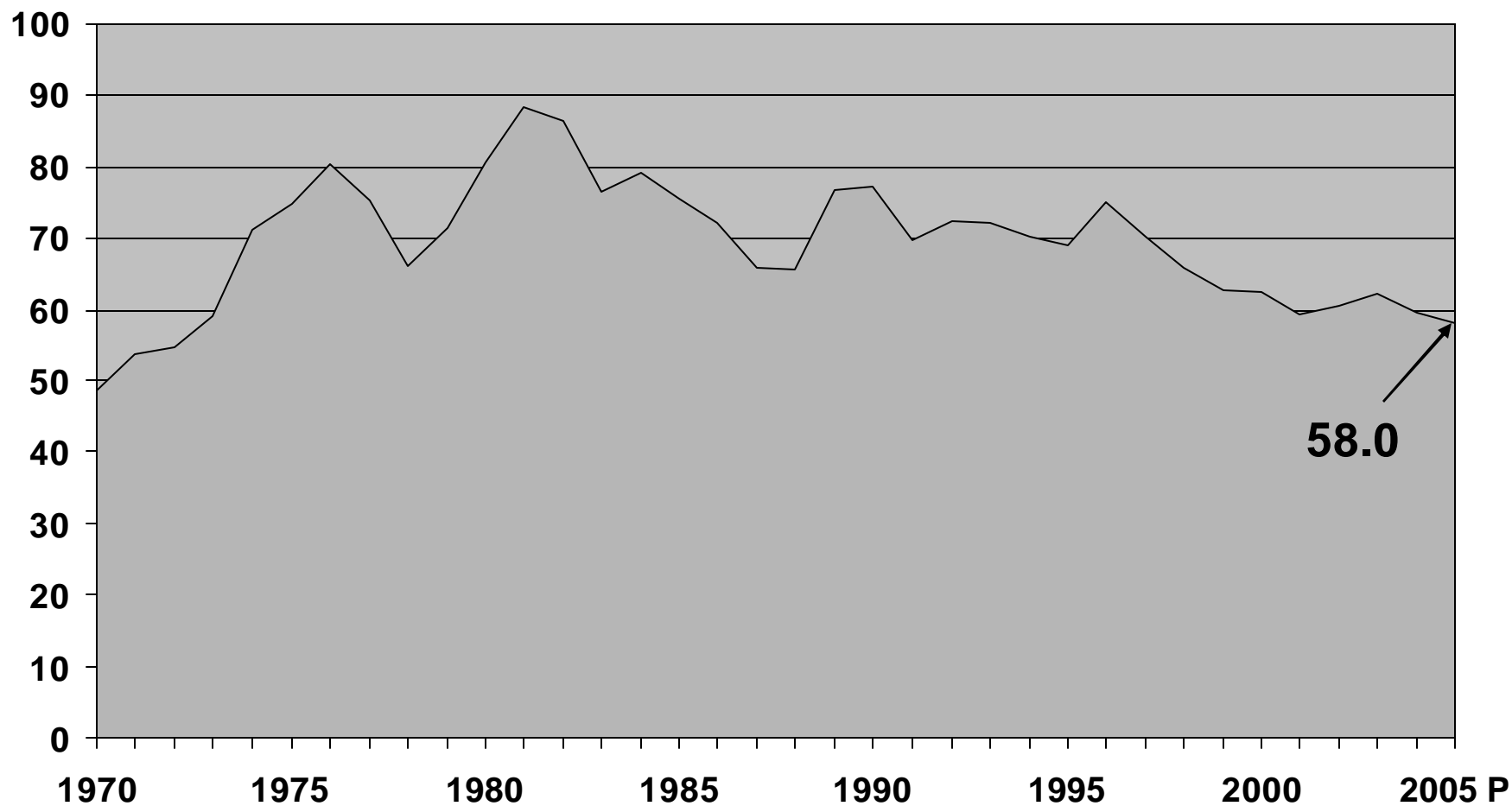
2005 Wheat Outlook

- **Acreage declines**

U.S. Wheat Acreage

1970 through 2005 Projected

Mil. Ac.



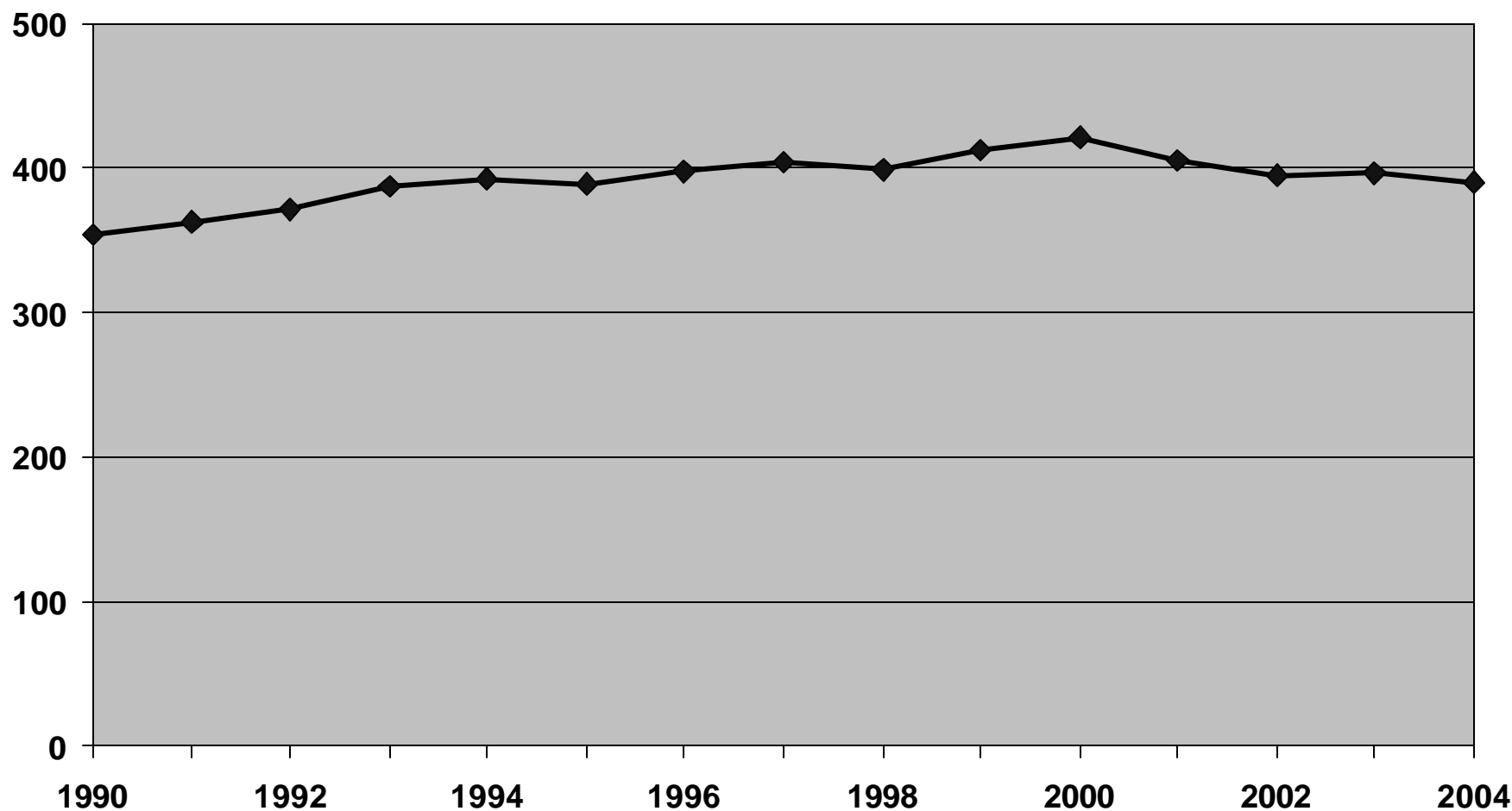
2005 Wheat Outlook

- **Acreage declines**
- **Domestic use flat**

U.S. Wheat Flour Production

1990 through 2004

Mil. Cwt



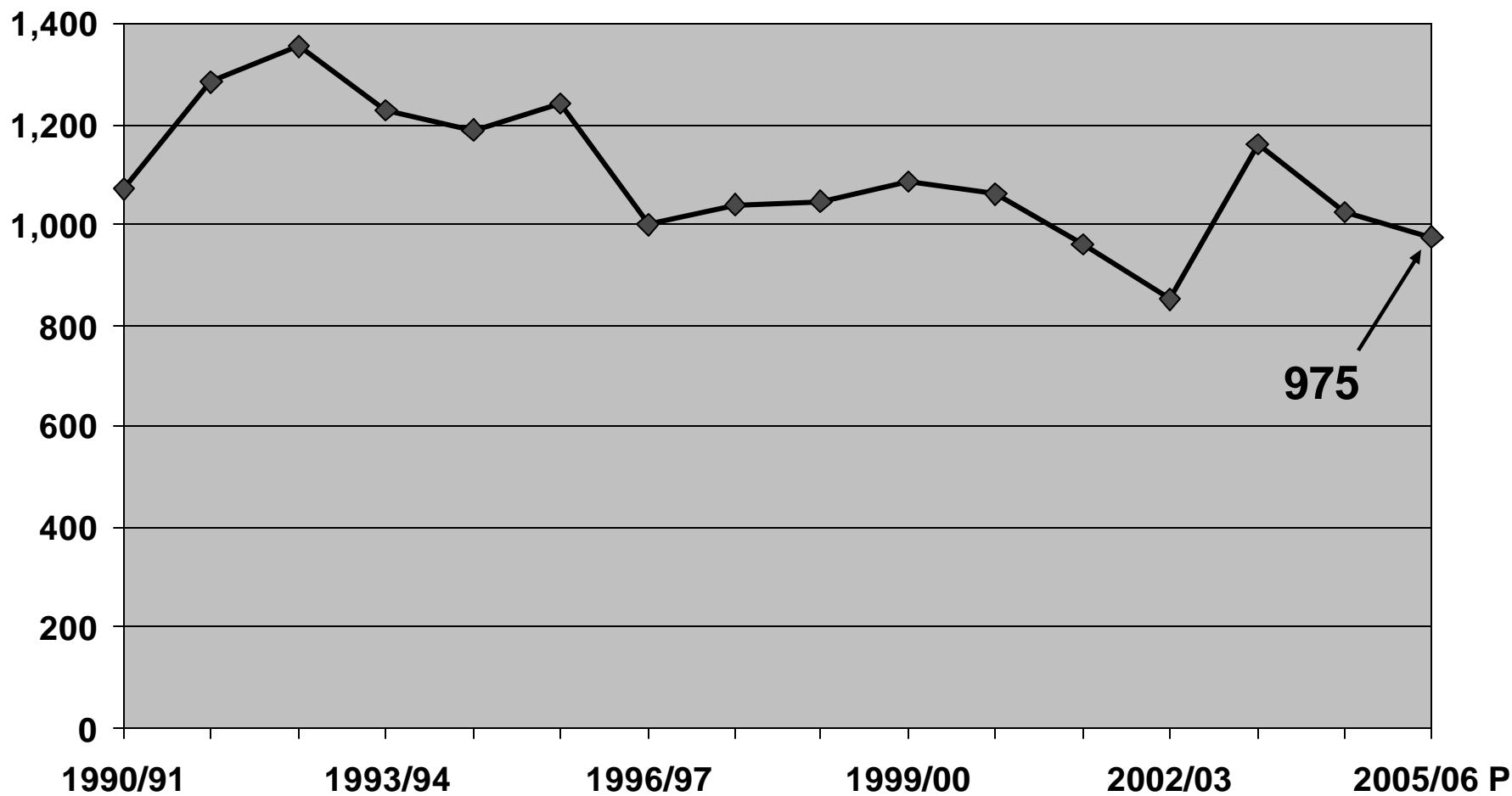
2005 Wheat Outlook

- **Acreage declines**
- **Domestic use flat**
- **Export competition strong**

U.S. Wheat Exports

1990/91 through 2005/06 Projected

Mil. Bu.

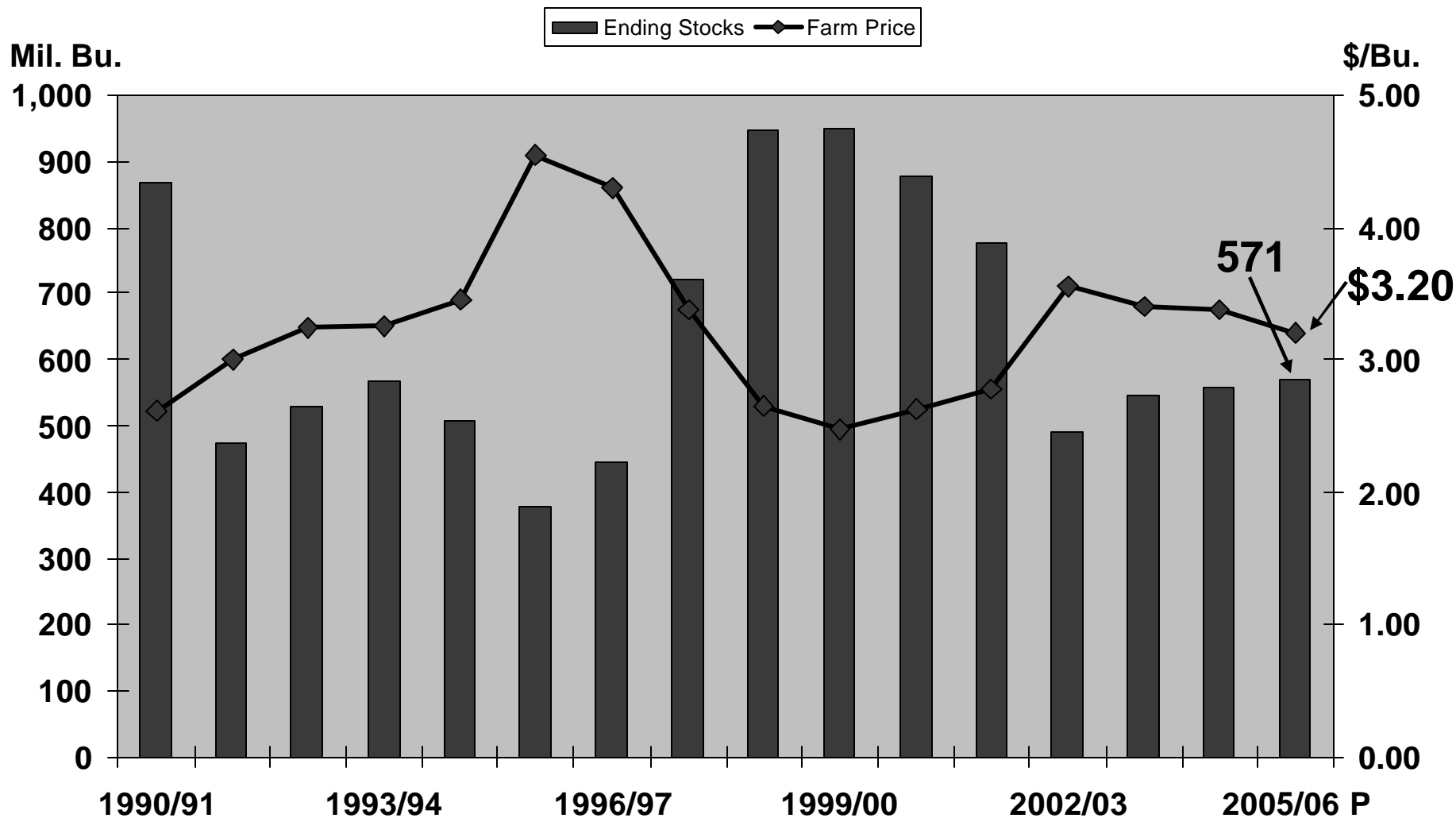


2005 Wheat Outlook

- **Acreage declines**
- **Domestic use flat**
- **Export competition strong**
- **Stocks grow and prices decline slowly**

U.S. Wheat Ending Stocks and Farm Price

1990/91 through 2005/06 Projected



Grains & Oilseeds Outlook for 2005

- **Acreage Outlook**
- **Wheat Outlook**
- **Corn Outlook**

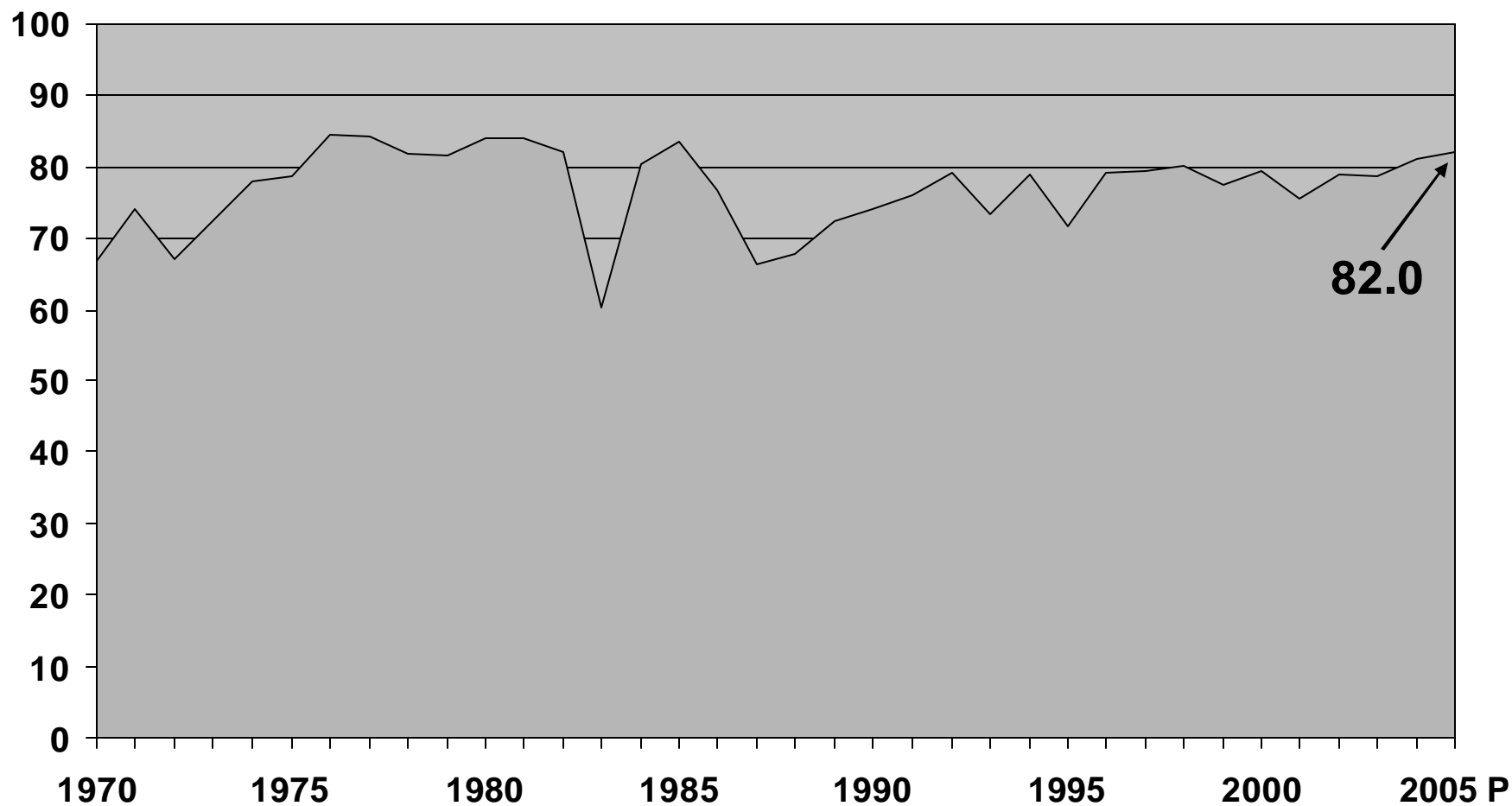
2005 Corn Outlook

- **Acreage continues to expand**

U.S. Corn Acreage

1970 through 2005 Projected

Mil. Ac.

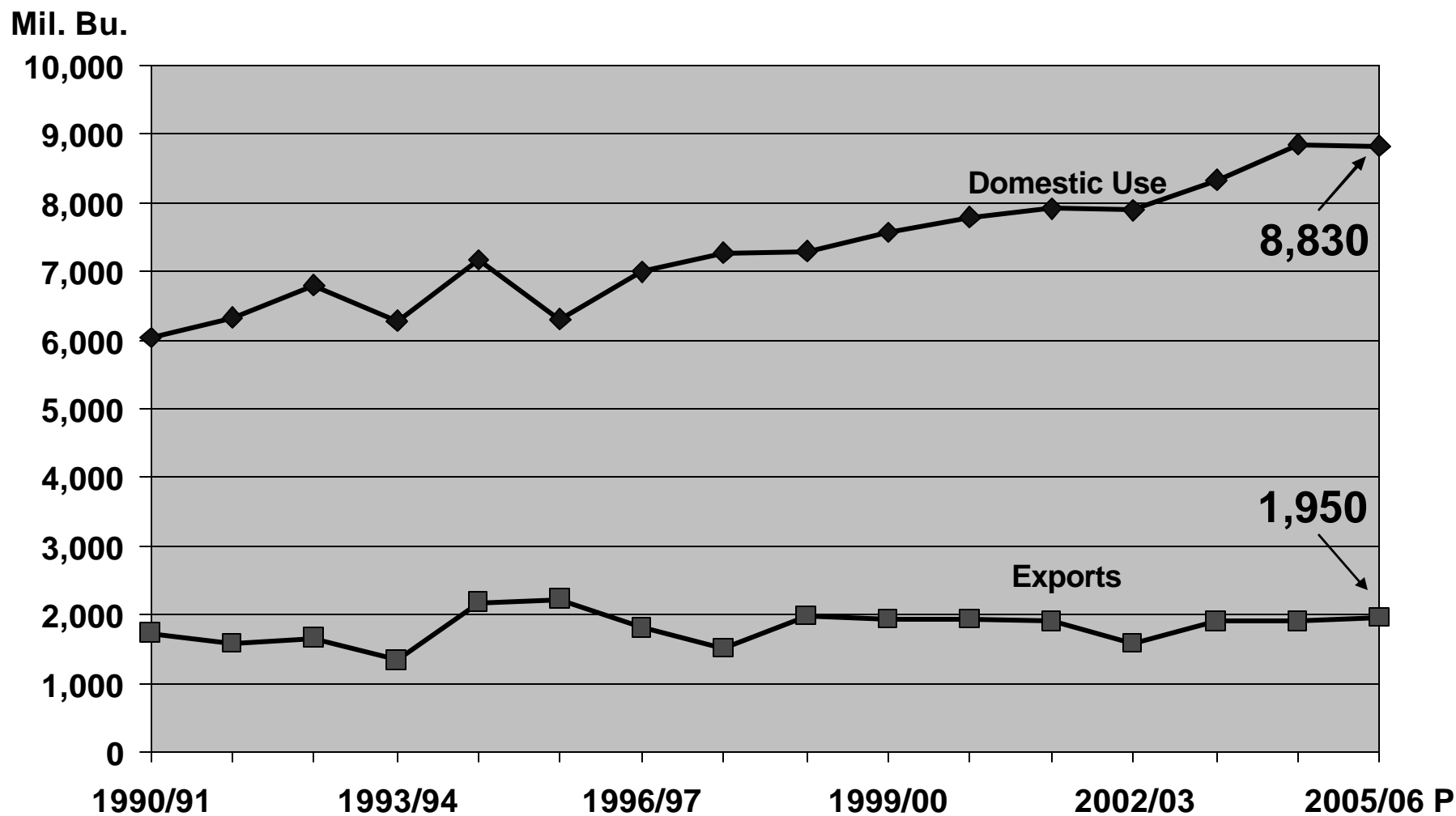


2005 Corn Outlook

- **Acreage continues to expand**
- **Domestic use and exports mostly flat**

U.S. Corn Domestic Use and Exports

1990/91 through 2005/06 Projected



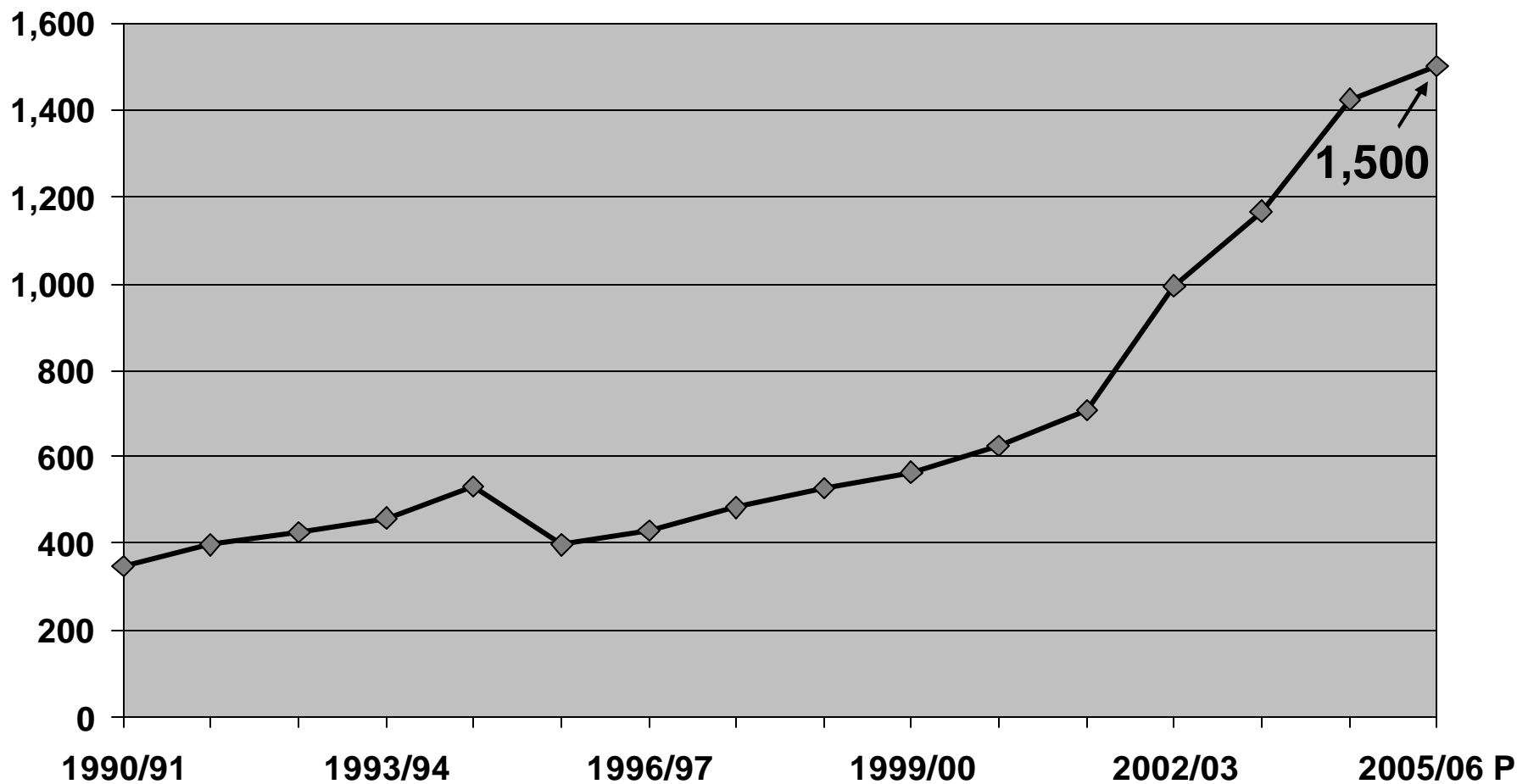
2005 Corn Outlook

- **Acreage continues to expand**
- **Domestic use and exports mostly flat**
- **Ethanol use supports domestic demand**

U.S. Corn Used for Ethanol

1990/91 through 2005/06 Projected

Mil. Bu.

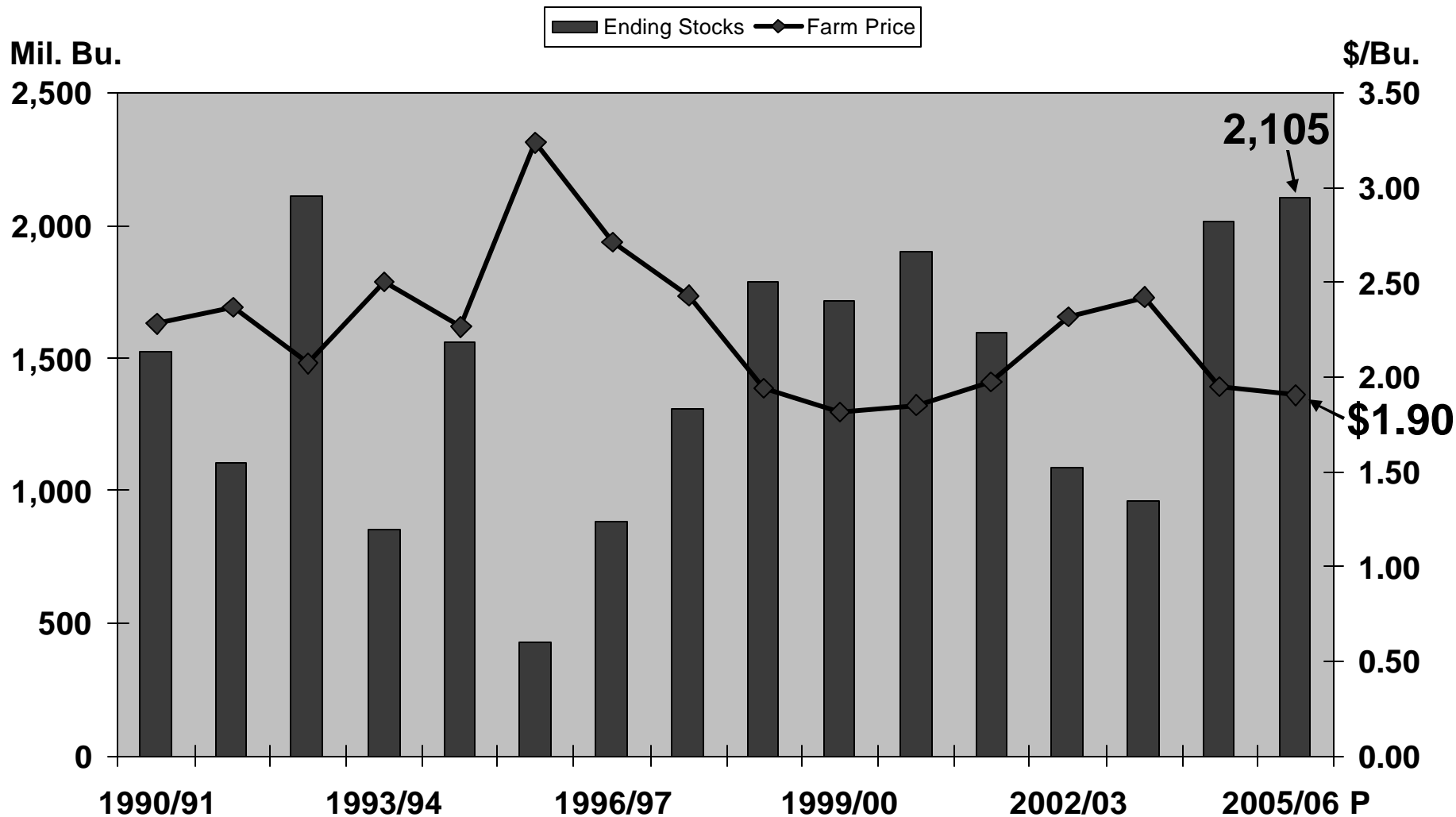


2005 Corn Outlook

- **Acreage continues to expand**
- **Domestic use and exports mostly flat**
- **Ethanol use supports domestic demand**
- **Stocks build and prices fall**

U.S. Corn Ending Stocks and Farm Price

1990/91 through 2005/06 Projected



Grains & Oilseeds Outlook for 2005

- **Acreage Outlook**
- **Wheat Outlook**
- **Corn Outlook**
- **Soybean Outlook**

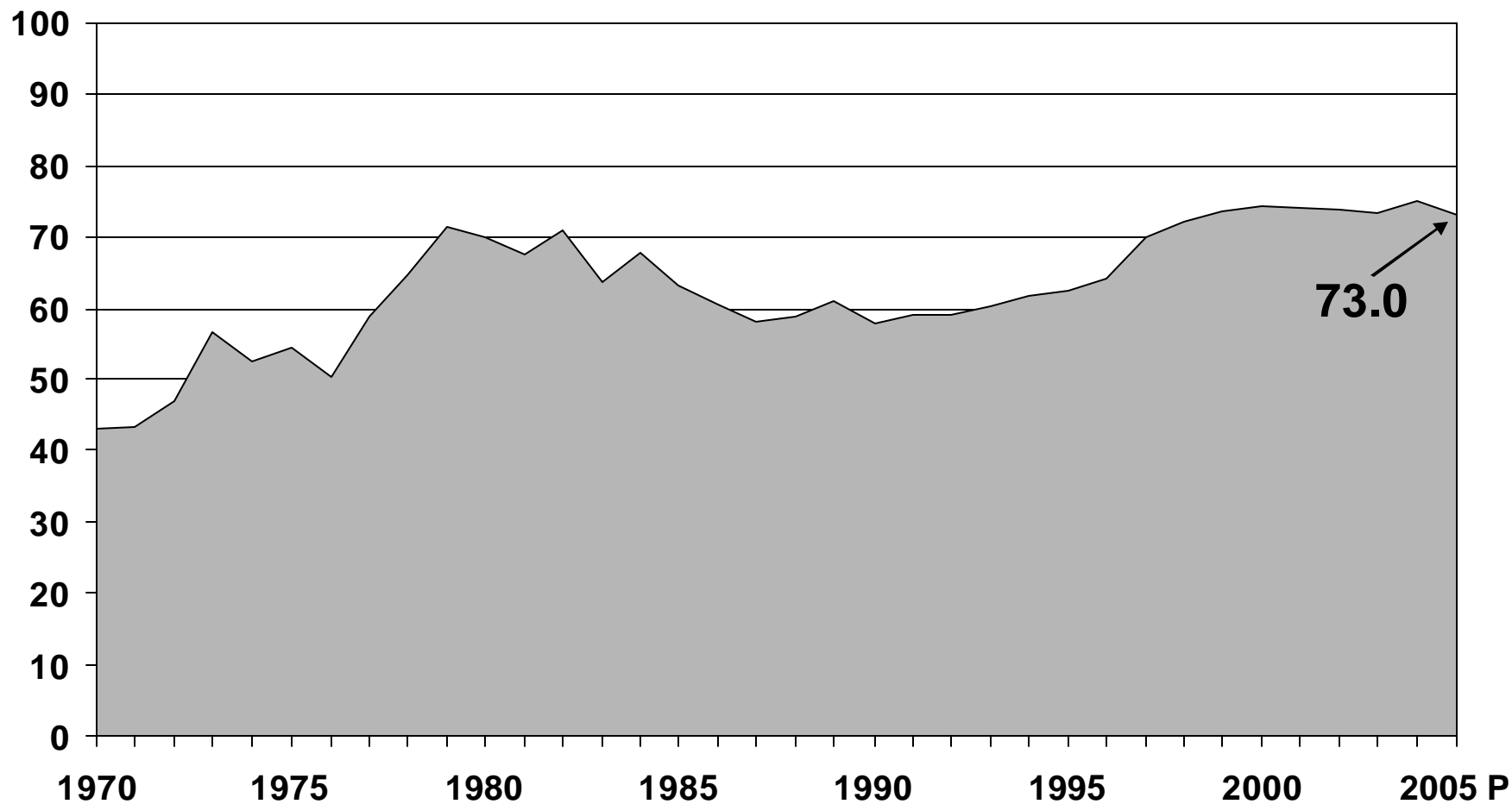
2005 Soybean Outlook

- **Acreage declines from 2004 record**

U.S. Soybean Acreage

1970 through 2005 Projected

Mil. Acres

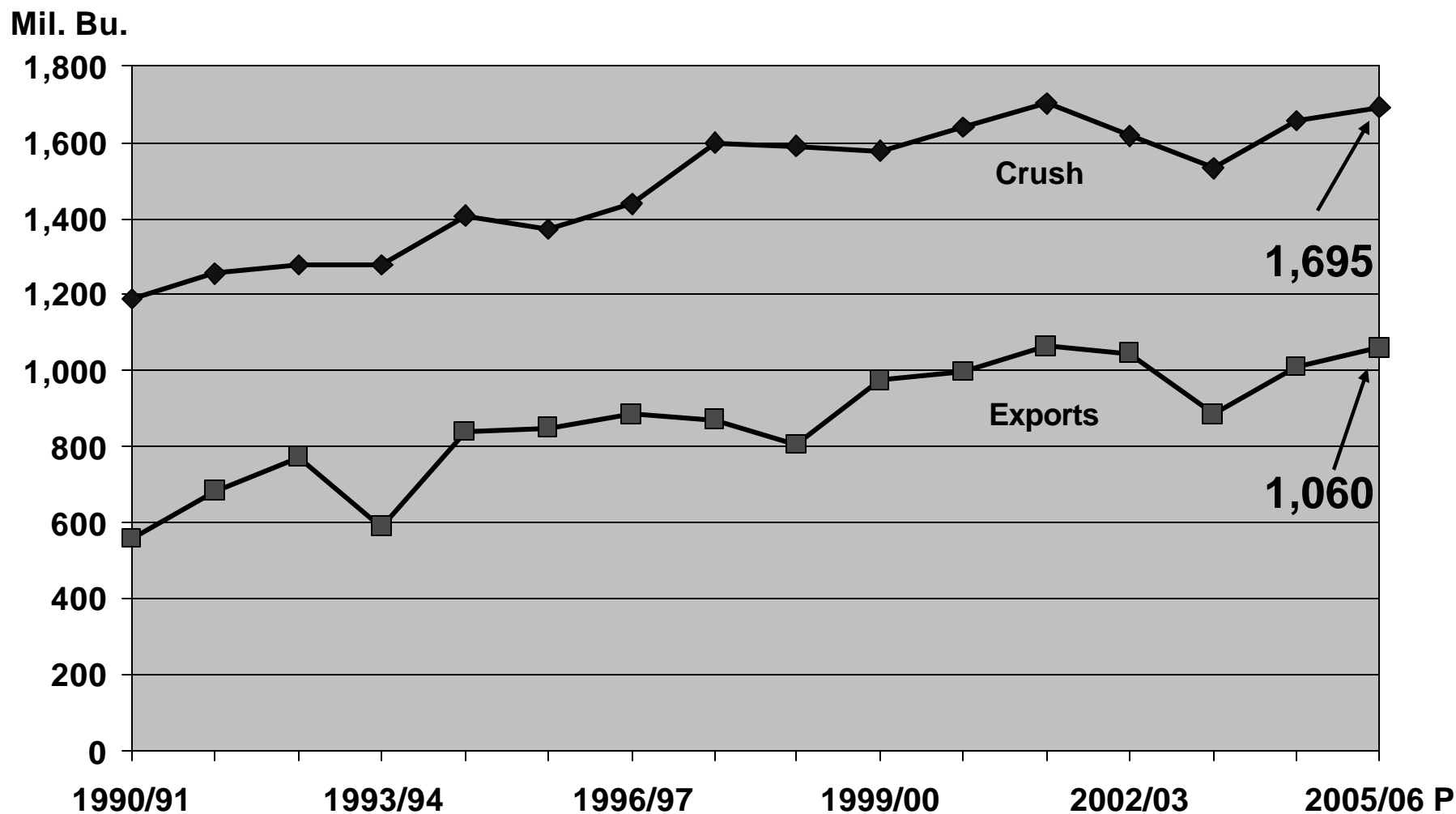


2005 Soybean Outlook

- **Acreage declines from 2004 record**
- **Domestic use and exports higher**

U.S. Soybean Crush and Exports

1990/91 through 2005/06 Projected



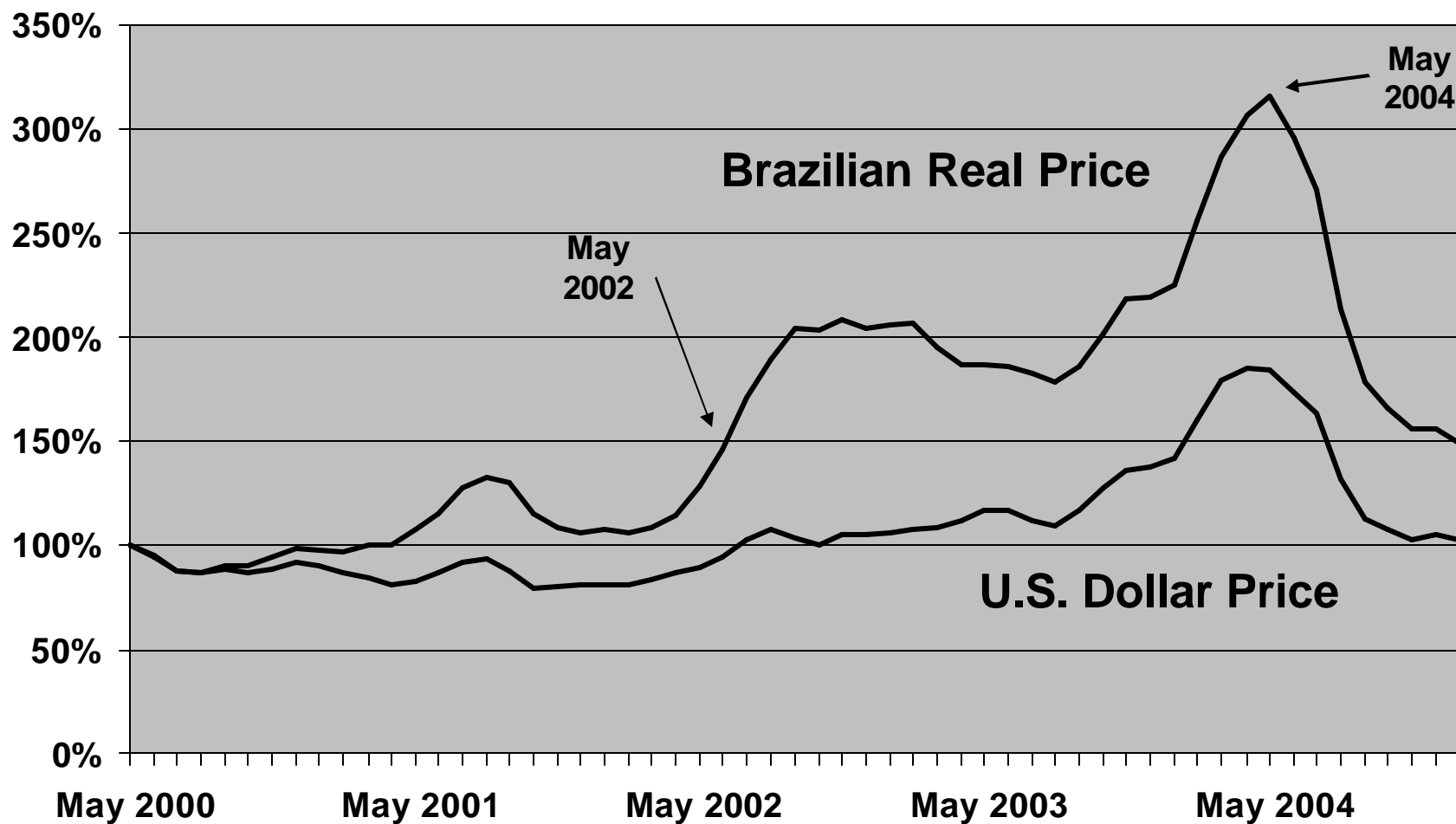
2005 Soybean Outlook

- **Acreage declines from 2004 record**
- **Domestic use and exports higher**
- **Expansion slows in Brazil**

Soybean Farm Prices in U.S. and Brazil

U.S. Dollar vs. Brazilian Real

May 2000 = 100%



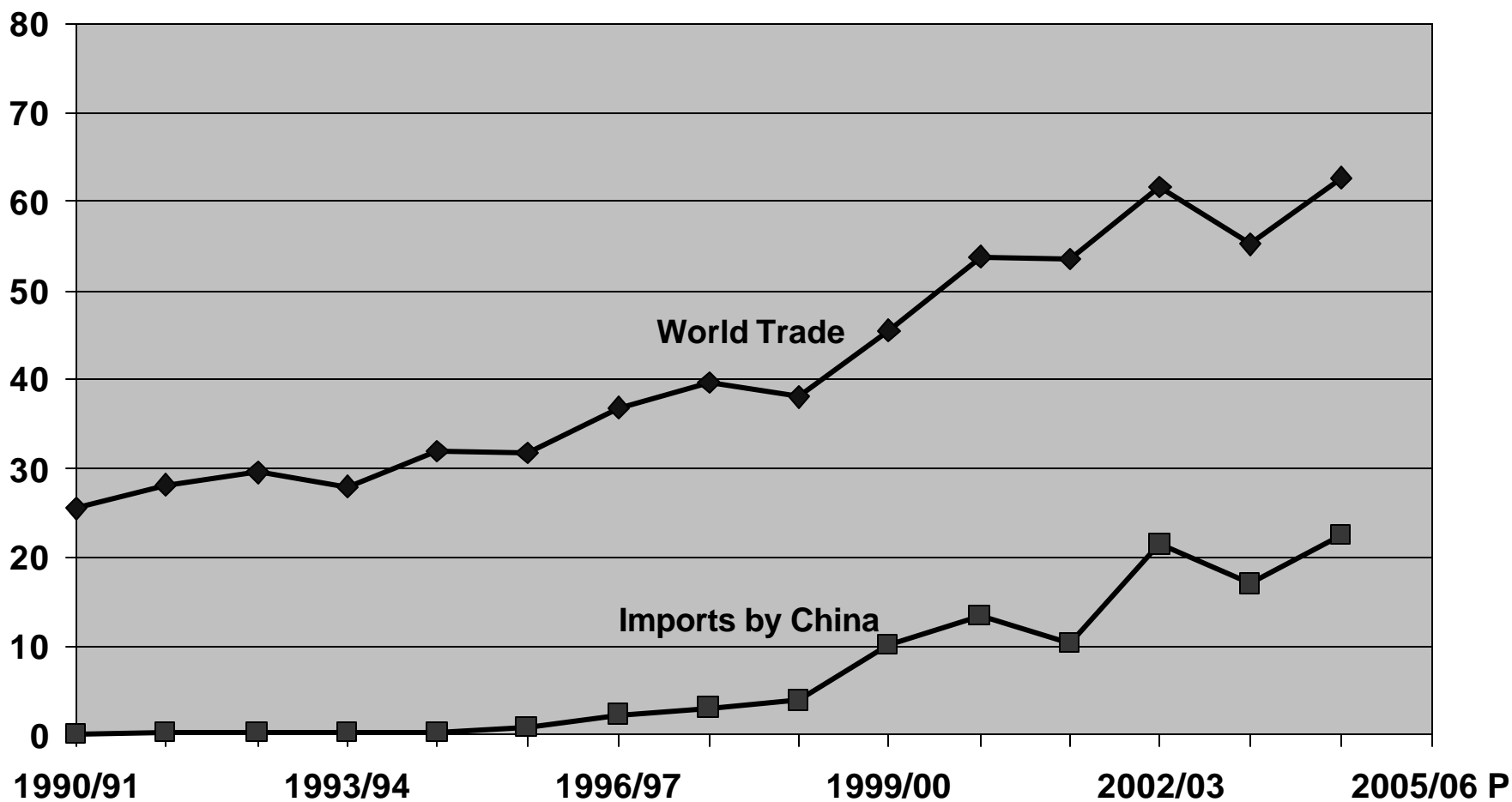
2005 Soybean Outlook

- **Acreage declines from 2004 record**
- **Domestic use and exports higher**
- **Expansion slows in Brazil**
- **China continues to drive world trade**

World Soybean Trade and Imports by China

1990/91 through 2004/05 Projected

Mil. Metric Tons

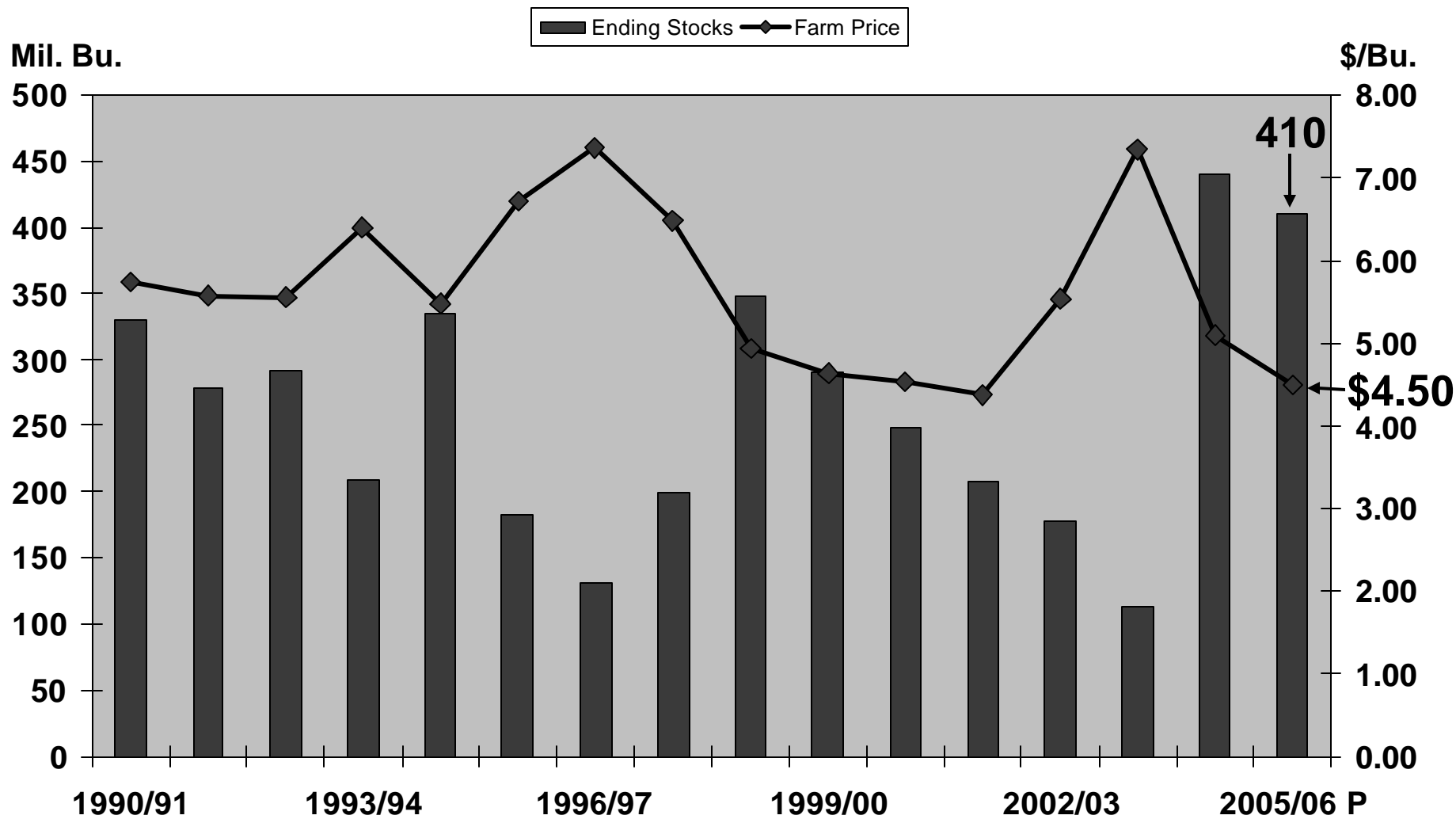


2005 Soybean Outlook

- **Acreage declines from 2004 record**
- **Domestic use and exports higher**
- **Expansion slows in Brazil**
- **China continues to drive world trade**
- **Stocks remain large and prices fall**

U.S. Soybean Ending Stocks and Farm Price

1990/91 through 2005/06 Projected



2005 Outlook Summary

- **Lower production as wheat and soybean area decline and yields return to trend**
- **Heavy corn and soybean carryin push supplies to record levels**
- **Large supplies and strong world competition pressure prices**

USDA



Farm Service Agency